		FOR OHF USE					

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2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0027664

Facility Name: Hearthstone Manor

Address: 920 Seminary (Number) Woodstock (City) 60098 (Zip Code)

County: McHenry

Telephone Number: (815) 334-6200 **Fax #** (815) 338-0023

IDPA ID Number: 36-318-6415-001

Date of Initial License for Current Owners: 1903

Type of Ownership:

X	VOLUNTARY,NON-PROFIT		PROPRIETARY		GOVERNMENTAL		
	X	Charitable Corp.		Individual		State	
		Trust		Partnership		County	
IRS Exemption Code	501C3			Corporation		Other	
				"Sub-S" Corp.			
				Limited Liability Co.			
				Trust			
				Other			

In the event there are further questions about this report, please contact:
Name: MARK GREENFIELD **Telephone Number:** (815) 334-6200

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 07/01/2003 to 6/30/2004 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider	(Signed) _____ (Date)
	(Type or Print Name) _____
	(Title) _____
Paid Preparer	(Signed) _____ (Date)
	(Print Name and Title) _____
	(Firm Name & Address) _____
	(Telephone) ( ) Fax # ( )

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	29	Skilled (SNF)	29	10,614	1
2		Skilled Pediatric (SNF/PED)			2
3	46	Intermediate (ICF)	46	16,836	3
4		Intermediate/DD			4
5	63	Sheltered Care (SC)	63	23,058	5
6		ICF/DD 16 or Less			6
7	138	TOTALS	138	50,508	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	212	1,469	1,942	3,623	8
9	SNF/PED					9
10	ICF	8,260	11,452		19,712	10
11	ICF/DD					11
12	SC		11,663		11,663	12
13	DD 16 OR LESS					13
14	TOTALS	8,472	24,584	1,942	34,998	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 69.29%

D. How many bed-hold days during this year were paid by Public Aid? _____ (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES [ ] NO [X]

I. On what date did you start providing long term care at this location? Date started 01/01/1903

J. Was the facility purchased or leased after January 1, 1978? YES [ ] Date _____ NO [X]

K. Was the facility certified for Medicare during the reporting year? YES [X] NO [ ] If YES, enter number of beds certified 29 and days of care provided 4,673

Medicare Intermediary _____

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [ ] NO [ ]

Tax Year: 06/30/2004 Fiscal Year: 06/30/2004

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	217,398	32,602	122,424	372,424		372,424		372,424			1
2	Food Purchase		155,445		155,445		155,445	(9,094)	146,351			2
3	Housekeeping	106,283	21,703	969	128,955		128,955		128,955			3
4	Laundry	54,502	186	2,594	57,282		57,282		57,282			4
5	Heat and Other Utilities			114,629	114,629		114,629	5,952	120,581			5
6	Maintenance			143,574	143,574		143,574	9,147	152,721			6
7	Other (specify):*											7
8	**TOTAL General Services**	378,183	209,936	384,190	972,309		972,309	6,005	978,314			8
	B. Health Care and Programs											
9	Medical Director			351,085	351,085		351,085		351,085			9
10	Nursing and Medical Records	1,390,320	338,810	48,525	1,777,655		1,777,655		1,777,655			10
10a	Therapy											10a
11	Activities	158,938	3,829	4,472	167,239		167,239		167,239			11
12	Social Services	67,362	58	2,548	69,968		69,968		69,968			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*	3,623	7,217	336,433	347,273		347,273		347,273			15
16	**TOTAL Health Care and Programs**	1,620,243	349,914	743,063	2,713,220		2,713,220		2,713,220			16
	C. General Administration											
17	Administrative	105,479		715,138	820,617		820,617	71,349	891,966			17
18	Directors Fees											18
19	Professional Services			50,408	50,408		50,408	46,206	96,614			19
20	Dues, Fees, Subscriptions & Promotions			56,826	56,826		56,826	33,543	90,369			20
21	Clerical & General Office Expenses	94,197		35,739	129,936		129,936	179,763	309,699			21
22	Employee Benefits & Payroll Taxes			912,639	912,639		912,639	177,401	1,090,040			22
23	Inservice Training & Education			248	248		248		248			23
24	Travel and Seminar			10,825	10,825		10,825	10,782	21,607			24
25	Other Admin. Staff Transportation							873	873			25
26	Insurance-Prop.Liab.Malpractice			72,663	72,663		72,663	18,203	90,866			26
27	Other (specify):*											27
28	**TOTAL General Administration**	199,676		1,854,486	2,054,162		2,054,162	538,120	2,592,282			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	2,198,102	559,850	2,981,739	5,739,691		5,739,691	544,125	6,283,816			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Hearthstone Manor #0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4	5	6	7	8	9	10	
	D. Ownership											
30	Depreciation			27,012	27,012		27,012	4,723	31,735			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			(188,477)	(188,477)		(188,477)		(188,477)			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds			384,000	384,000		384,000		384,000			34
35	Rent-Equipment & Vehicles			4,295	4,295		4,295		4,295			35
36	Other (specify):*											36
37	**TOTAL Ownership**			226,830	226,830		226,830	4,723	231,553			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops	19,927	695		20,622		20,622	(20,622)				40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			47,859	47,859		47,859		47,859			42
43	Other (specify):*		5		5		5		5			43
44	**TOTAL Special Cost Centers**	19,927	700	47,859	68,486		68,486	(20,622)	47,864			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	2,218,029	560,550	3,256,428	6,035,007		6,035,007	528,226	6,563,233			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(9,094)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)	(20,622)	40		16
17	Non-Care Related Fees	(27,012)	30		17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions	(15,812)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(12,000)	20		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(18,089)	17		28
29	Other-Attach Schedule	(710,938)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (813,567)		$	30

OHF USE ONLY								
48		49		50		51		52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$ 16,034		31
32	Donated Goods-Attach Schedule*	10,676		32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	630,855		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ 657,565		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (156,002)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Hearthstone Manor

ID# 0027664

Report Period Beginning: 07/01/2003

Ending: 6/30/2004

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1		$		1
2				2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	0		49

STATE OF ILLINOIS — Summary A

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(9,094)	0	0	0	0	0	0	0	0	0	0	(9,094)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	5,952	0	0	0	0	0	0	0	0	0	5,952	5
6	Maintenance	0	9,147	0	0	0	0	0	0	0	0	0	9,147	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	(9,094)	15,099	0	0	0	0	0	0	0	0	0	6,005	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	(18,089)	89,438	0	0	0	0	0	0	0	0	0	71,349	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	46,206	0	0	0	0	0	0	0	0	0	46,206	19
20	Fees, Subscriptions & Promotions	(27,812)	61,355	0	0	0	0	0	0	0	0	0	33,543	20
21	Clerical & General Office Expenses	0	179,763	0	0	0	0	0	0	0	0	0	179,763	21
22	Employee Benefits & Payroll Taxes	0	177,401	0	0	0	0	0	0	0	0	0	177,401	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	10,782	0	0	0	0	0	0	0	0	0	10,782	24
25	Other Admin. Staff Transportation	0	873	0	0	0	0	0	0	0	0	0	873	25
26	Insurance-Prop.Liab.Malpractice	0	18,203	0	0	0	0	0	0	0	0	0	18,203	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	(45,901)	584,021	0	0	0	0	0	0	0	0	0	538,120	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(54,995)	599,120	0	0	0	0	0	0	0	0	0	544,125	29

STATE OF ILLINOIS **Summary B**

Facility Name & ID Number **Hearthstone Manor** **#** **0027664** **Report Period Beginning:** **07/01/2003** **Ending:** **6/30/2004**

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	(27,012)	31,735	0	0	0	0	0	0	0	0	0	4,723	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	(27,012)	31,735	0	0	0	0	0	0	0	0	0	4,723	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	(20,622)	0	0	0	0	0	0	0	0	0	0	(20,622)	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	(20,622)	0	0	0	0	0	0	0	0	0	0	(20,622)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(102,629)	630,855	0	0	0	0	0	0	0	0	0	528,226	45

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
				Woodstock Christian		
				Life Services	Woodstock	Corporate Office
				Hearthstone Village	Woodstock	Ind. Living
				Woodstock Early		
				Learning Center	Woodstock	Day Care

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	6	Maintenance	$	Woodstock Christioan Life Services	100.00%	$ 9,147	$ 9,147	1
2	V	22	Employee Benefits		Woodstock Christioan Life Services	100.00%	177,401	177,401	2
3	V	26	Insurance		Woodstock Christioan Life Services	100.00%	18,203	18,203	3
4	V	5	Utilities		Woodstock Christioan Life Services	100.00%	5,952	5,952	4
5	V	30	Depreciation		Woodstock Christioan Life Services	100.00%	31,735	31,735	5
6	V	33	Real Estate Taxes		Woodstock Christioan Life Services	100.00%			6
7	V	17	Administrative		Woodstock Christioan Life Services	100.00%	89,438	89,438	7
8	V	21	Clerical/General Office		Woodstock Christioan Life Services	100.00%	179,763	179,763	8
9	V	40	Other		Woodstock Christioan Life Services	100.00%			9
10	V	20	Fees, Subscriptions, Promotions		Woodstock Christioan Life Services	100.00%	61,355	61,355	10
11	V	19	Professional Fees		Woodstock Christioan Life Services	100.00%	46,206	46,206	11
12	V	24	Travel and Seminars		Woodstock Christioan Life Services	100.00%	10,782	10,782	12
13	V	25	Other admin		Woodstock Christioan Life Services	100.00%	873	873	13
14	Total			$			$ 630,855	$ * 630,855	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1									$		1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Woodstock Christian Life Services
Street Address: 318 Christian Way
City / State / Zip Code: Woodstock, Illinois 60098
Phone Number: ((815) 338-1090
Fax Number: ((815) 338-0023

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	6	Maintenance	Corporate Revenue			$	$		$	1
2	22	Employee Benefits	Corporate Revenue							2
3	26	Insurance	Corporate Revenue							3
4	5	Utilities	Corporate Revenue							4
5	30	Depreciation	Corporate Revenue							5
6	33	Real Estate Taxes	Corporate Revenue							6
7	17	Administrative	Corporate Revenue							7
8	21	Clerical/General Office	Corporate Revenue							8
9	40	Other	Corporate Revenue							9
10	20	Fees, Subscriptions, Promotions	Corporate Revenue							10
11	19	Professional Fees	Corporate Revenue							11
12	24	Travel and Seminars	Corporate Revenue							12
13	25	Other admin	Corporate Revenue							13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$	$		$	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1							$	$			$	1
2												2
3												3
4												4
5												5
	Working Capital											
6	Harris		X	Renovation Financing	Varies	10/25/02	5,307,326	5,094,614	10/25/04	4.5000	199,405	6
7	Harris		X	Renovation Financing	Varies	10/25/02	576,652	554,784	10/25/04	5.2500	21,557	7
8	Harris		X	Renovation Financing	Varies	10/25/02	420,000		10/25/04	Varies	9,944	8
9	TOTAL Facility Related						$ 6,303,978	$ 5,649,398			$ 230,906	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 6,303,978	$ 5,649,398			$ 230,906	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ _____ Line # _____

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2003 report. *Important*, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	$		1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	$		2
3. Under or (over) accrual (line 2 minus line 1).	$		3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)	$		4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**	$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)**	$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.	$		7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
1999		8
2000		9
2001		10
2002		11
2003		12

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2003	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Hearthstone Manor COUNTY McHenry

FACILITY IDPH LICENSE NUMBER 0027664

CONTACT PERSON REGARDING THIS REPORT

TELEPHONE ( ) FAX #: ( )

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.			$	$
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$	$

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 60,000 B. General Construction Type: Exterior Masonary Frame _____ Number of Stories 3

C. Does the Operating Entity? [X] (a) Own the Facility [ ] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [X] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [ ] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

Wood stock Christian Live Services-Corporate Division
Hearthstone Villiage-Independent Living
Woodstock Early Learning Center-Day Care

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____

3. Current Period Amortization: _____ 4. Dates Incurred: _____

Nature of Costs: _____
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1		60,000	1903	$ 5,372	1
2					2
3	TOTALS	60,000		$ 5,372	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	10		1950	1950	$ 150,823	$	40	$	$	$ 150,823	4
5	90		1973	1973	796,110	19,903	40	19,903	0	636,891	5
6	38		1976	1976	751,053	18,776	40	18,776	0	544,509	6
7											7
8											8
	Improvement Type**										
9	Sprinkler System			1977	2,935	8	25		(8)	2,935	9
10	Air conditioning			1977	10,374		10			10,374	10
11	Roof			1978	4,656		20			4,656	11
12	Roof			1978	7,536		20			7,536	12
13	Boiler			1978	8,498		20			8,498	13
14	Sprinkler System			1980	10,353	414	25	414	0	10,351	14
15	Office Remodeling			1980	5,218	130	40	130	0	3,254	15
16	Roof			1981	5,100		10			5,100	16
17	Parking Lot			1982	3,549	89	40	89	0	2,206	17
18	Roof Additions			1983	6,560	164	40	164		3,526	18
19	Roof			1984	4,690		10			4,690	19
20	Kitchen			1984	187	9	20	9	0	181	20
21	Kitchen			1985	1,415	35	40	35	0	712	21
22	Sign			1985	855		5			855	22
23	Remodeling Second Floor			1985	10,026		10			10,026	23
24	Activity Room			1985	1,044		15			1,044	24
25	Remodeling Second Floor			1985	1,735	87	20	87	(0)	1,729	25
26	Dining Room Remodel			1986	27,607		10			27,607	26
27	Solarium			1986	15,216		10			15,216	27
28	Kitchen			1986	5,749	287	20	287	0	5,170	28
29	Solarium			1987	45,713	1,143	40	1,143	(0)	20,572	29
30	HVAC			1987	3,931	197	20	197	(0)	3,542	30
31	Water Heater			1987	1,258		15			1,258	31
32	Roof			1987	11,828		10			11,828	32
33											33
34											34
35											35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Re-Key Locks	1987	$ 1,004	$	10	$	$	$ 1,004	37
38	Renovations Room 241	1987	629		15			629	38
39	Parking Lot	1987	3,291		15			3,291	39
40	Roof	1988	12,550		10			12,550	40
41	Remodel Employee Lounge	1988	890		10			890	41
42	Courtyard Landscaping	1987							42
43	Water Meters	1989	2,820		10			2,820	43
44	Roof Repair	1990	1,255		10			1,255	44
45	Thermostats	1991	1,264		10			1,264	45
46	Roof Repair	1992	980		10			980	46
47	Thermostats	1992	1,481		10			1,481	47
48	Drop Ceiling	1992	370		10			370	48
49	Windows	1992	607		10			607	49
50	Roof Repair	1992	608	9	10		(9)	608	50
51	Smoker Room	1992	973	27	10		(27)	1,070	51
52	Nurse Station	1992	359	8	10		(8)	395	52
53	Roof Repair	1992	720	24	10		(24)	792	53
54	Smoker Room	1992	216	5	10		(5)	238	54
55	Brick Smoker Room	1992	325	8	10		(8)	325	55
56	Parking Lot Expansion	1992	577	38	15	38	0	445	56
57	Roof Repair	1993	800	80	10	10	(70)	870	57
58	Windows	1993	317	32	10	4	(28)	345	58
59	Roof Repair	1993	1,715	171	10	44	(127)	1,843	59
60	Generator Repair	1993	1,049	105	10	42	(63)	1,112	60
61	Water Heater	1994	3,240	324	10	216	(108)	3,348	61
62	Courtyard	1994	819	82	10	67	(15)	834	62
63	Alarm System	1994	1,391	139	10	146	7	1,384	63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 1,934,269	$ 42,294		$ 41,802	$ (491)	$ 1,535,838	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 1,934,269	$ 42,294		$ 41,802	$ (491)	$ 1,535,838	1
2	Fire Doors	1994	437	44	10	43	(1)	438	2
3	Roof Repair	1994	1,259	126	10	126	(0)	1,233	3
4	Plumbing	1995	10,741		5			10,741	4
5	Roof Repair	1995	1,170	117	10	117		1,043	5
6	Roof Repair	1995	11,299	1,130	10	1,130	(0)	9,981	6
7	Roof Repair	1995	12,340	1,234	10	1,234		10,797	7
8	Roof Repair	1995	861	86	10	86	0	746	8
9	Electrical Repair	1995	15,122	1,512	10	1,512	0	12,979	9
10	Roof Repair	1996	3,500	350	10	350		2,975	10
11	Doors	1996	2,685	269	15	179	(90)	2,194	11
12	Fire Doors	1996	457	46	20	23	(23)	366	12
13	Doors	1996	1,649	110	10	165	55	972	13
14	Architect Service	1996	13,331	667	20	667	(0)	5,526	14
15	Roof Repair	1996	5,380	538	20	269	(269)	4,101	15
16	Roof Replacement	1996	27,341	1,367	20	1,367	0	10,823	16
17	Plumbing	1996	10,960	1,096	20	548	(548)	8,125	17
18	Architect Service	1996	1,332	67	20	67	(0)	527	18
19	Roof Repair	1996	1,758	176	20	88	(88)	1,293	19
20	Alum. Gutter-downspout	1996	1,650	165	20	83	(83)	1,199	20
21	Architect Service	1996	1,122	56	20	56	0	437	21
22	Roof Repair	1996	540	54	20	27	(27)	396	22
23	Rooftop HVAC Replacement	1996	52,688	2,634	20	2,634	0	20,420	23
24	New Door	1996	3,042	304	20	152	(152)	2,202	24
25	Roof Replacement	1996	25,941	1,297	20	1,297	0	9,943	25
26	Firestops Replacement	1996	3,553	355	10	355	0	2,727	26
27	Architect Service	1996	475	24	20	24	(0)	183	27
28	Exit Lights	1996	2,737	274	10	274	(0)	2,077	28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 2,147,639	$ 56,392		$ 54,674	$ (1,718)	$ 1,660,283	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		$ 2,147,639	$ 56,392		$ 54,674	$ (1,718)	$ 1,660,283	1
2	Architect Service	1996	750	38	20	38	(1)	284	2
3	HVAC	1996	77,291	3,865	20	3,865	(0)	29,306	3
4	New Sidewalk	1996	986	66	15	66	(0)	505	4
5	Parking lot repair	1996	1,623	162	10	162	0	1,248	5
6	S.M. Sign Maintenance	1996	308		5			370	6
7	Labor-Roof Replacement	1997	12,255	1,225	20	613	(612)	8,577	7
8	Architect Service	1997	1,775	178	20	89	(89)	1,309	8
9	Sunroom painting	1997	2,145	215	20	107	(108)	1,467	9
10	Asbestos repair	1997	715	72	20	36	(36)	489	10
11	Heating	1998	5,787	289	20	289	0	1,953	11
12	Ductwork and Electric	1998	3,370	337	20	169	(169)	2,050	12
13	Rebuild roof unit	1998	2,235	223	20	112	(111)	1,359	13
14	3rd floor project	1998	10,019	501	20	501	(0)	3,298	14
15	IDPH-Building Project Fees	1998	2,712	136	20	136	(0)	893	15
16	Shayman-Contractors	1998	10,000	500	20	500		3,292	16
17	Century Tiule	1998	461	46	20	23	(23)	276	17
18	Handi-Hut-Shelter	1998	7,488	749	20	374	(375)	4,368	18
19	Signage	1998	412	41	5		(41)	412	19
20	Phone/Data Lines	1998	7,869	787	10	787	(0)	4,722	20
21	ADA Sidewalk	1999	2,016	101	20	101	(0)	605	21
22	Phone/Data Lines	1999	1,450	145	10	145		870	22
23	Air Conditioning	1999	10,866	1,087	10	1,087	(0)	6,248	23
24	Aluminum Gutters/Downspouts	1999	540	54	10	54		311	24
25	Exit Lights	1999	322	32	10	32	0	180	25
26	Exit Lights	1999	400	40	10	40		220	26
27	Smoking Room	1999	114	11	10	11	0	70	27
28	Third Floor Renovation-Building	1999	240,021	12,001	20	12,001	0	66,006	28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 2,551,569	$ 79,293		$ 76,010	$ (3,282)	$ 1,800,970	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		$ 2,551,569	$ 79,293		$ 76,010	$ (3,282)	$ 1,800,970	1
2	Fire Protection	1999	2,750	275	10	275		1,490	2
3	Architect Fees	1999	1,080	108	3	360	252	837	3
4	Maintenance Labor-Painting	1999	1,740	348	5	203	(145)	1,885	4
5	Paint Stairwells & Halls	1999	1,624	325	5	216	(109)	1,732	5
6	Third Floor Renovation-Bldg-Final PMT	1999	32,418	1,621	20	1,621	(0)	8,915	6
7	Carpeting-Main Floor	1999	10,300	2,060	5	1,888	(172)	10,472	7
8	Signage	2000	987	197	5	197	0	855	8
9	Storm Windows	2000	941	188	5	188	0	627	9
10	New Park Street Door	2000	2,872	191	15	191	0	702	10
11	Replace Warped Doors	2000	3,960	792	5	792		2,574	11
12	Reception Area	2000	25,839	2,584	10	2,584	(0)	7,669	12
13	Sidewalk Replacements	2001	5,100	340	15	340	0	1,020	13
14	ADT Security System - Manor	2001	21,653	2,165	10	2,165	0	5,955	14
15	Remodel RM 203 Admissions Office	2001	2,155	216	10	215	(0)	575	15
16	3rd Floor Office Space Conversion	2001	3,965	396	10	396	(0)	1,024	16
17	Convert RM 203 to Office, Copy and Storage	2001	3,765	376	10	376	0	972	17
18	Convert Sun Room to New Chapel	2001	39,890	3,989	10	3,989	(0)	10,249	18
19	SC Activity Dining Room Conversion	2002	7,422	742	10	742	(0)	1,855	19
20	General Store Conversion	2002	2,131	221	10	213	(7)	522	20
21	Replace Defective Water Piping	2002	10,213	1,021	10	1,021	(0)	2,128	21
22									22
23	Property Banners	2000	968	194	5	194	0	710	23
24	Corporate Allocation				10				24
25	Rounding		87	(8)		(8)		(7)	25
26	Nursing Floor Showers	2003	2,943	294	10	294	0	589	26
27	Asbestos Inspection	2003	4,374	402	10	437	35	840	27
28	Chapel Conversion	2003	856	100	5	171	71	271	28
29	Tuckpoint Boiler Smoke Stack	2003	3,630	212	10	363	151	575	29
30	Traditions Alzheimer Dementia Units	2003	515,315	10,738	20	25,766	15,028	36,503	30
31	Traditions Blueprints and Design Drawings	2003	8,250	172	20	413	241	584	31
32	Traditions Policies and Procedures	2003	46,691	973	20	2,335	1,362	3,307	32
33	New Chapel Landscaping	2003	6,553	764	5	1,311	546	2,075	33
34	TOTAL (lines 1 thru 33)		$ 3,322,039	$ 111,289		$ 125,260	$ 13,971	$ 1,908,476	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12D, Carried Forward		$ 3,322,039	$ 111,289		$ 125,260	$ 13,971	$ 1,908,476	1
2	Replace flat roof	2003	4,680	98	20	234	137	332	2
3	Replace floor tile in dining room	2003	6,360	309	5	1,272	963	1,581	3
4	Signage Engraver - Manor	2003	544	36	5	109	72	145	4
5	Carpet Extractor	2003	2,035	102	5	407	305	509	5
6	Washer Drum	2003	1,738	87	5	348	261	435	6
7	Satellite TV System	2003	10,485	350	5	2,097	1,748	2,447	7
8	Elevator Code Updates	2003	2,227	74	5	445	371	520	8
9	Foor Processor	2003	1,147	38	5	229	191	268	9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 3,351,255	$ 112,382		$ 130,401	$ 18,019	$ 1,914,710	34

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 611,344	$	$ 31,463	$ 31,463		$ 447,642	71
72	Current Year Purchases	116,930		9,407	9,407		9,407	72
73	Fully Depreciated Assets							73
74								74
75	TOTALS	$ 728,274	$	$ 40,870	$ 40,870		$ 457,049	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Van W/ Lift	Ford	1998	$ 14,000	$	$	$		$ 14,000	76
77	Painting of Vehicle	Ford Taurus	1996	1,693					1,693	77
78										78
79										79
80	TOTALS			$ 15,693	$	$	$		$ 15,693	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 4,100,594	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 112,382	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 171,271	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 58,889	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 2,387,452	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	Furniture and Fixtures	$ 442,048	$ 14,488	$ 406,515	86
87					87
88					88
89					89
90					90
91	TOTALS	$ 442,048	$ 14,488	$ 406,515	91

G. Construction-in-Progress

	Description	Cost	
92	CIP Various	$ 352	92
93			93
94			94
95		$ 352	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease:

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. [ ] YES [X] NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .

9. Option to Buy: [ ] YES [ ] NO Terms: *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	$
13.	/2006	$
14.	/2007	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? [ ] YES [X] NO

16. Rental Amount for movable equipment: $ Description:
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18					18
19					19
20					20
21	TOTAL		$	$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?
   [ ] YES
   [X] NO

   If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - COMMUNITY COLLEGE [ ]
   - HOURS PER AIDE ____

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist		hrs	$		$	$		$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescrpts			299,142			299,142	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			$		$ 299,142	$		$ 299,142	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 6/30/2004 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 1,015	$ 525,991	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	447,851	571,638	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	21,326	97,505	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Due from affiliates	2,736,999		9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 3,207,191	$ 1,195,134	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		176,881	13
14	Buildings, at Historical Cost	486,103	11,472,327	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	60,831	2,532,168	16
17	Accumulated Depreciation (book methods)	(438,119)	(7,979,466)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	123,143	123,143	21
22	Other Long-Term Assets (spe Financing fees		20,162	22
23	Other(specify): Construction in Progress		16,372	23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 231,958	$ 6,361,587	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 3,439,149	$ 7,556,721	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 167,508	$ 286,289	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	2,134	192,885	28
29	Short-Term Notes Payable		5,691,828	29
30	Accrued Salaries Payable	195,403	445,596	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)			32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36				36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 365,045	$ 6,616,598	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	Gifts Annuities Liability		6,826	43
44	Deferred Rev. from advanced fees		109,258	44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$ 116,084	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 365,045	$ 6,732,682	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 3,439,149	$ 823,589	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 3,804,194	$ 7,556,271	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 2,934,694	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 2,934,694	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(12,017)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	( )	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)	5,845	15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (6,172)	17
	B. Transfers (Itemize):		
18			18
19	**Transfer from affiliates**		19
20		510,627	20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$ 510,627	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ 3,439,149	24 *

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 5,915,244	1
2	Discounts and Allowances for all Levels	(20,724)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 5,894,520	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	22,710	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 22,710	23
	D. Non-Operating Revenue		
24	Contributions	105,760	24
25	Interest and Other Investment Income***		25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 105,760	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 6,022,990	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	972,309	31
32	Health Care	2,713,220	32
33	General Administration	2,054,162	33
	B. Capital Expense		
34	Ownership		34
	C. Ancillary Expense		
35	Special Cost Centers		35
36	Provider Participation Fee		36
	D. Other Expenses (specify):		
37	Depreciation	27,012	37
38	interest expense	(188,477)	38
39		456,781	39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 6,035,007	40
41	**Income before Income Taxes (line 30 minus line 40)****	(12,017)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (12,017)	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return?** Yes **If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.** SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,880	2,222	$ 72,214	$ 32.50	1
2	Assistant Director of Nursing	1,080	1,120	28,222	25.20	2
3	Registered Nurses	14,109	15,259	351,051	23.01	3
4	Licensed Practical Nurses	12,649	13,955	263,007	18.85	4
5	Nurse Aides & Orderlies	62,535	67,142	727,183	10.83	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,824	2,120	44,719	21.09	9
10	Activity Assistants	12,596	14,167	149,003	10.52	10
11	Social Service Workers	3,328	4,113	79,668	19.37	11
12	Dietician					12
13	Food Service Supervisor	1,168	1,280	20,687	16.16	13
14	Head Cook	3,628	4,213	51,897	12.32	14
15	Cook Helpers/Assistants	21,202	21,700	161,946	7.46	15
16	Dishwashers					16
17	Maintenance Workers					17
18	Housekeepers	12,589	13,836	127,499	9.22	18
19	Laundry	5,235	5,873	58,363	9.94	19
20	Administrator	1,808	2,080	79,135	38.05	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	10,622	11,480	139,362	12.14	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	2,256	2,548	55,920	21.95	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,872	2,080	26,011	12.51	31
32	Other Health Care(specify)	25,154	27,240	282,397	10.37	32
33	Other(specify) Beauty	1,622	1,751	21,501	12.28	33
34	TOTAL (lines 1 - 33)	197,157	214,179	$ 2,739,785 *	$ 12.79	34

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	3,522	$ 127,193		35
36	Medical Director				36
37	Medical Records Consultant	19	1,183		37
38	Nurse Consultant	84	41,066		38
39	Pharmacist Consultant	1,349	4,722		39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	13	750		44
45	Social Service Consultant	16	967		45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	5,003	$ 175,880		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

SEE ACCOUNTANTS' COMPILATION REPORT

* This total must agree with page 4, column 1, line 45.

** See instructions.

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Janet Smith	Administrator		$ 105,479
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 105,479

B. Administrative - Other

Description	Amount
Corporate Svc	$ 710,937
Mktg & Fund Develop	1,275
G&A Expense	2,926
TOTAL (agree to Schedule V, line 17, col. 3)	$ 715,138
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Leading Edge Consulting	Consulting	$ 38,649
SAS Architects		734
United Meth Homes & Health		4,104
Legal Fees		6,918
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 50,405

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 117,000
Unemployment Compensation Insurance	190,858
FICA Taxes	280,007
Employee Health Insurance	
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
PTO	259,527
Valic Benefit	40,844
EE Recognition	1,109
Other Benefits	23,294
TOTAL (agree to Schedule V, line 22, col.8)	$ 912,639

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 5,615
Advertising: Employee Recruitment	18,089
Health Care Worker Background Check	
(Indicate # of checks performed)	
Bad Debts	12,000
Contributions	15,795
Dues	5,327
Contributions	(15,812)
Offset Bad Debts	(12,000)
Corporate Allocations	61,355
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 90,369

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
	3,337
In-State Travel	
	4,009
Seminar Expense	
	3,479
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 10,825

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1			$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
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SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 07/01/2003 Ending: 6/30/2004

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **Life Services Network- $10051.29**

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report? **N/A**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 Years**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **34,197** Line **10-2**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? YES **XX** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **XX** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **47,859**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **N/A**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **None** Has any meal income been offset against related costs? **None** Indicate the amount. $ **None**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **N/A**
c. What percent of all travel expense relates to transportation of nurses and patients? **100**
d. Have vehicle usage logs been maintained? **Yes**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **Yes**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **Yes**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $ **N/A**

(17) Has an audit been performed by an independent certified public accounting firm? **Yes**
Firm Name: **McGladrey & Pullen, LLP** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **Yes** If no, please explain.

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.